



DONALD L. WOLFE, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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May 18, 2006

IN REPLY PLEASE

REFER TO FILE: PD-5

MTA Blue Line MOU  
Amendment 5

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**METRO BLUE LINE  
MEMORANDUM OF UNDERSTANDING FOR LIABILITY SHARING —  
AMENDMENT NO. 5  
PROPOSITION A LOCAL RETURN TRANSPORTATION PROGRAM  
ALL SUPERVISORIAL DISTRICTS  
3 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the enclosed Amendment No. 5 to the Memorandum of Understanding between the County, the City of Long Beach, and the Los Angeles County Metropolitan Transportation Authority for liability sharing on the Long Beach-Los Angeles Light Rail (Metro Blue Line).
2. Instruct the Mayor to sign the enclosed Amendment No. 5 to the Memorandum of Understanding.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On December 18, 1990, Synopsis 65, your Board approved a Memorandum of Understanding (MOU) between the Cities of Compton, Long Beach, and Los Angeles, and the Los Angeles County Metropolitan Transportation Authority (Metro) for liability sharing on the Metro Blue Line.

Subsequent to the Board action on December 18, 1990, the City of Los Angeles decided not to participate in the joint liability arrangement. A new MOU was prepared by Metro to extend the term of the MOU to July 31, 1992, and to delete the City of Los Angeles. This MOU was executed by your Board on September 24, 1991.

On January 26, 1993, Synopsis 49, your Board approved Amendment No. 1 to the MOU. Amendment No. 1 extended the expiration date of the MOU to July 31, 1995.

On September 24, 1996, Synopsis 53, your Board approved Amendment No. 2 to the MOU. Amendment No. 2 extended the expiration date of the MOU to July 31, 1998. At this point, the City of Compton declined to further participate in the joint liability arrangement.

On October 13, 1998, Synopsis 41, your Board approved Amendment No. 3 to the MOU. Amendment No. 3 extended the expiration date of the MOU to July 31, 2003. This amendment included two 1-year automatic renewals.

On July 29, 2003, Synopsis 50, your Board approved Amendment No. 4 to the MOU. Amendment No. 4 extended the expiration date of the MOU to July 31, 2008, and retains the same language as the MOU and the adopted amendments.

Amendment No. 5 proposes to change the language in the MOU to properly reflect the current claims processing practice. These changes do not have any financial impact on the participants.

This action will provide for the continuation of the shared liability arrangement between the County, the City of Long Beach, and Metro.

Under the terms of the MOU, each agency will be insured under a common policy of liability insurance for losses arising from the operation of the Metro Blue Line. The MOU provides that all liability claims that are filed against any of the parties to the MOU be handled by Metro's Risk Management Department and Metro's third party administrator.

#### **Implementation of Strategic Plan Goals**

This action meets the County's Strategic Plan Goals of Fiscal Responsibility as it limits the County's liability for the operation of this regionally significant public transit service.

### **FISCAL IMPACT/FINANCING**

Metro's insurance policies provide coverage up to \$100 million per occurrence in excess of a \$4.5 million self-insured deductible for which the parties to the MOU may be responsible. The County's obligation is 2 percent of any loss not covered by the insurance policies. The City of Long Beach also pays 2 percent of any losses not covered by the insurance policies. Metro pays 96 percent of any losses not covered by the policies and pays the premiums for the policies.

The County's share of any judgment or settlement would be financed utilizing the Top of Pot allocation of Proposition A Local Return Transit funds in the Transit Enterprise Fund administered by Public Works.

Amendment No. 5 does not have any financial impact on the participants.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Upon your approval, we will inform Metro of the continuation of the program. County Counsel has reviewed and approved Amendment No. 5 as to form.

### **ENVIRONMENTAL DOCUMENTATION**

There is no environmental documentation required for this action.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

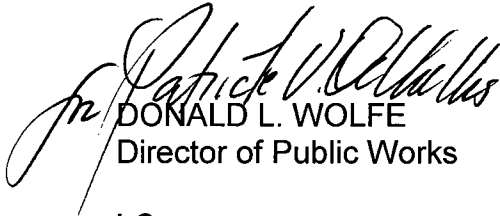
This action will provide for the continuation of the current financial arrangement.

The Honorable Board of Supervisors  
May 18, 2006  
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**CONCLUSION**

Amendment No. 5 to the MOU is being signed in counterparts by the parties to the MOU. Enclosed are the County Original, County file copy, and two original copies of the signature pages (to be attached to the other counterparts of the MOU) which have been approved as to form by County Counsel. Upon approval, please return the County original and the two signature pages together with two adopted copies of this letter to Public Works. The County file copy is for your files until the fully executed County Original is returned.

Respectfully submitted,



DONALD L. WOLFE  
Director of Public Works

LC:yr

C061195

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Enc.

cc: Chief Administrative Office  
County Counsel  
Executive Office

AMENDMENT NO. 5 TO  
MEMORANDUM OF UNDERSTANDING  
FOR  
LIABILITY, INSURANCE AND INDEMNIFICATION WITH RESPECT TO  
OPERATIONS, USE OR MAINTENANCE  
OF THE METRO BLUE LINE BETWEEN  
CITY OF LONG BEACH  
COUNTY OF LOS ANGELES  
AND  
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
(LACMTA)

The undersigned public agencies (referred to collectively as "Agencies" or individually as "Agency") have heretofore executed that certain Memorandum of Understanding dated September 24, 1991 (the "Memorandum").

The Agencies now desire to amend the Memorandum pursuant to this Amendment No. 5 as set forth below.

Provision No. 4 of the Memorandum is hereby amended to read, in its entirety, as follows:

Contribution to incurred losses, defense costs and other allocated loss costs under the terms of this memorandum shall be made by each of the undersigned public Agencies, regardless of fault or degree of negligence, in the following manner:

City of Long Beach	2% of loss
County of Los Angeles	2% of loss

Los Angeles County Metropolitan Transportation Authority (LACMTA) shall pay the remainder of all losses, defense costs and other allocated loss costs.

Provision No. 5 of the Memorandum is hereby amended to read, in its entirety, as follows:

Los Angeles County Metropolitan Transportation Authority (LACMTA), as claims settlement agent, shall bill participants for reimbursement according to the above percentages on an annual basis.

Provision No. 7 of the Memorandum is hereby deleted.

All references to the City of Compton are deleted.

All references to the Los Angeles County Transportation Commission and Southern California Rapid Transit District are replaced with Los Angeles County Metropolitan Transportation Authority (LACMTA).

Except as amended hereby, the Memorandum remains in full force and effect.

This Amendment No. 5 shall be effective on March 1, 2006.

This Amendment No. 5 may be executed in as many counterparts as may be deemed necessary or convenient and by the different parties hereto on separate counterparts each of which when so executed shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

Amendment No. 5 executed on this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

CITY OF LONG BEACH

BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

COUNTY OF LOS ANGELES


BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
(LACMTA)

BY:  \_\_\_\_\_ TITLE: EXECUTIVE OFFICER

APPROVED AS TO FORM

OFFICE OF THE COUNTY COUNSEL

BY  \_\_\_\_\_  
DEPUTY